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and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric
Company
☒ Affects both Debtors

** All papers shall be filed in the Lead
Case, No. 19-30088 (DM).*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)
**SUPPLEMENTAL DECLARATION OF DMITRY
KRIVIN IN SUPPORT OF THE DEBTORS'
APPLICATION PURSUANT TO 11 U.S.C. §§ 363(b)
AND 105(a) FOR AUTHORITY TO ENTER INTO,
PERFORM UNDER AND MAKE PAYMENTS UNDER
CERTAIN CONSULTING CONTRACTS WITH
MCKINSEY & COMPANY, INC. UNITED STATES**

[No Hearing Date Requested]

1 I, Dmitry Krivin, declare as follows:

2 1. I am employed as a partner at McKinsey & Company, Inc. United States (“McKinsey
3 US”) with an office at 175 Greenwich Street, New York City, NY, 10007. McKinsey & Company,
4 Inc. (“McKinsey & Co.”) is the ultimate parent company of McKinsey US and the Retained
5 Affiliates¹ (as defined below, and such Retained Affiliates collectively with McKinsey US, the
6 “Proposed Professionals”). I am duly authorized to make this Supplemental Declaration, which is
7 being submitted to supplement my initial declaration (the “Initial Declaration”) filed on February 26,
8 2020, Dkt. 5924, in support of the Debtors’ Application Pursuant to 11 U.S.C. §§ 363(b) and 105(a)
9 for Authority to Enter Into, Perform Under and Make Payments Under Certain Consulting Contracts
10 With McKinsey & Company, Inc. United States, Dkt. 3919 (as supplemented, the “Application”).

11 2. On February 26, 2020, PG&E filed a first supplement to the Application seeking
12 authority to enter into and perform under certain additional agreements that were entered into between
13 the Debtors and McKinsey US in the ordinary course of business that relate to the Application and the
14 Service Contracts. Dkt. 5925.

15 3. On June 15, 2020, PG&E filed a second supplement to the Application seeking
16 authority to enter into and perform under one additional such agreement. Dkt. 7959.

17 4. Except as otherwise noted, the statements set forth herein are based on knowledge I
18 have from my employment position and diligence undertaken by me or professionals reporting to me
19 and, if called and sworn as a witness, I would testify competently thereto.

20 5. In connection with its proposed retention by the Debtors in these chapter 11 cases, the
21 Proposed Professionals undertook a comprehensive process to determine whether they had any
22 connections or other relationships that might cause them to hold or represent an interest adverse to the
23 Debtors. Specifically, the Proposed Professionals obtained from the Debtors or their representatives
24 the names of individuals and entities that may be parties in interest in the Debtors’ chapter 11 cases
25 (as updated from time to time, the “Potential Parties in Interest”), and such parties were listed on
26

27 ¹ All capitalized terms used but not defined herein shall have the meanings ascribed to such terms used
28 in the Initial Declaration.

Schedule 1 to the Initial Declaration.

6. Subsequent to the preparation of the Initial Declaration, the Debtors and/or their representatives provided the Proposed Professionals with an updated list of Potential Parties in Interest, and such parties are listed on Schedule 1 attached hereto. The Working Group used the same process described in the Initial Declaration to expand the new Interested Parties on the updated Interested Parties List to include all corporate affiliates that shared a common parent with each new corporate party listed on the Interested Parties List (the “Supplemental Interested Parties”). The Supplemental Interested Parties were then added to the original Expanded IPL (the “Updated Expanded IPL”).² In sum, the Updated Expanded IPL expanded the list of 23 unique new Interested Parties to 1550 unique parties (i.e., the Supplemental Interested Parties and their affiliates).³

7. The Working Group also used the same process described in the Initial Declaration to compile an updated Client List, using a “Look-Back Period” starting on January 29, 2016, and ending on April 30, 2020 (the “Updated Client List”)

8. The Working Group then checked the names on the Updated Client List against the Updated Expanded IPL, and the scope of the check was intentionally broad and inclusive. This search captured not only connections to the Supplemental Interested Parties, but also any new connections on the Updated Client List since the filing of the Initial Declaration. The resulting matches not previously included in the Initial Declaration are set forth on Schedule 2 hereto. Based upon the results and the questionnaire process described in more detail in the Initial Declaration, to the best of my knowledge, (i) none of these relationships constitute interests adverse to the Debtors, and (ii) all of these relationships involved matters unrelated to the Debtors, except to the extent described in paragraph 9.

9. I note that McKinsey consultants advised Hitachi Ltd. in connection with, among other things, an opportunity to provide certain services and products to the Debtors. The McKinsey team did not have any direct contact with the Debtors during this engagement, which was concluded in

² Because of the voluminous nature of the Updated Expanded IPL, it is not attached to this Declaration. Copies are available upon request to the Proposed Professionals’ counsel.

³ The Protocol does not require such an expansion of the Interested Parties List. The Proposed Professionals undertook this analysis out of an abundance of caution, in part to account for the lack of a computerized conflict-checking database.

1 2018.

2 10. The Working Group also compared the Proposed Professionals' records of ordinary-
3 course vendor and banking relationships during the Look-Back Period against the Updated Expanded
4 IPL, and the resulting matches not previously included in the Initial Declaration are also set forth on
5 **Schedule 2** hereto. To the best of my knowledge, as ordinary-course vendor and banking
6 relationships, none of these relationships constitute interests adverse to the Debtors.

7 11. In addition, upon receiving the list of additional Potential Parties in Interest, the
8 Working Group sent supplemental Surveys relating to the parties added to the Interested Parties List
9 and the Updated Expanded IPL and connections thereto, to supplement the results of the Surveys
10 described in paragraphs 17-20 of the Initial Declaration. The results of these supplemental Surveys,
11 to the extent not previously disclosed in the Initial Declaration, are reflected in the disclosures set
12 forth herein.

13 12. The Working Group also used the same process described in the Initial Declaration to
14 determine whether any McKinsey employees had been added to the Engagement Team since the
15 preparation of my Initial Declaration and to further determine whether any such additional employees
16 resulted in any new Retained Affiliates. Any additional Engagement Team members identified were
17 employees of one of the Proposed Professionals previously identified in my Initial Declaration. Such
18 additional Engagement Team members were included in the connection checking process described
19 herein.

20 13. Other than as disclosed below, no client listed on Schedule 2 accounted for more than
21 1.00% of the gross revenue of any Proposed Professional during the period from May 1, 2019 through
22 April 30, 2020 (the "Revenue Period").

23 14. To the best of my knowledge, other than the Debtors, the following clients accounted
24 for more than 1.00% of RTS's gross revenue during the Revenue Period. To the best of my
25 knowledge, based on the results of the Surveys, none of the services provided to any of these clients is
26 or was related to the Debtors or these chapter 11 cases.

- a. Covia Holdings Corp., Cummins Inc., Freeport-McMoRan Inc., Goldman Sachs Group, Macy's Inc., NRG Energy Inc., Government of Puerto Rico, Royal Dutch Shell, SoftBank Group Corp., The Hartford Financial Services Group Inc., and Valaris plc, each accounted for 1.01–3.00% of RTS's gross revenue during the Revenue Period.
- b. Dow DuPont and Weatherford each accounted for 3.01–5.00% of RTS's gross revenue during the Revenue Period.
- c. American International Group (AIG), Archer Daniels Midland Company and United Technologies Corp. each accounted for 5.01–9.00% of RTS's gross revenue during the Revenue Period.
- d. Johnson Controls Inc. accounted for 9.01–12.00% of RTS's gross revenue during the Revenue Period.

15. To the best of my knowledge, the following clients accounted for more than 1.00% of McKinsey US's gross revenue during the Revenue Period. To the best of my knowledge, based on the results of the Surveys, none of the services provided to any of these clients is or was related to the Debtors or their chapter 11 cases.

- a. Chevron Corporation, CVS Health, Freeport-McMoRan Inc., Johnson Controls Inc., United Technologies Corp. and Wells Fargo & Company, each accounted for 1.01–3.00% of McKinsey US's gross revenue during the Revenue Period.
- b. Verizon Communications accounted for 3.01–5.00% of McKinsey US's gross revenue during the Revenue Period.

16. To the best of my knowledge, the following clients accounted for more than 1.00% of

McKinsey Canada's gross revenue during the Revenue Period. To the best of my knowledge, based on the results of the Surveys, none of the services provided to any of these clients is or was related to the Debtors or their chapter 11 cases.

- a. ArcelorMittal SA, BC Community Owned Institution, CAE, Inc., Caisse de dépôt et placement du Québec, Enbridge Inc., MasterCard Inc., Sun Life Financial Inc., Suncor Inc., The Vanguard Group Inc. and Toronto-Dominion Bank, each accounted for 1.01–3.00% of McKinsey Canada's gross revenue during the Revenue Period.
- b. Royal Bank Financial Group accounted for 3.01–5.00% of McKinsey Canada's gross revenue during the Revenue Period.
- c. CN Government - Fed/Prov and Teck Resources Limited, each accounted for 5.01-9.00% of McKinsey Canada's gross revenue during the Revenue Period.

17. In addition, consistent with the Protocol, counsel for the Proposed Professionals sent the new names from the Updated Expanded IPL to counsel for MIO to facilitate MIO's search for new connections to Interested Parties. MIO then compared the Updated Expanded IPL to a list, compiled to the best of its knowledge, of its third-party investment managers, direct investments, financial counterparties and service providers (such as vendors). MIO then delivered the results of this comparison, and the resulting matches not previously included in the Initial Declaration are set forth on **Schedule 3** hereto. Based on the results provided by MIO, to the best of my knowledge, none of these relationships result in any Proposed Professional holding an interest adverse to the Debtors.

18. The Proposed Professionals will endeavor to further supplement this Declaration in the event they become aware of any relationship or other information that requires disclosure.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: July 8, 2020
New York, NY

By: 
Dmitry Krivin
Partner
McKinsey & Company, Inc. United States

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